

1. Purpose

TfL's ways of working must continually evolve to support the business as it grows, improves and embraces innovation. As the business evolves to achieve its ambition of becoming the strong, green heartbeat for London, we must continuously review and evaluate the way we work and how we work to become more efficient, effective and flexible in what we do and how we do it.

It is sometimes necessary to implement business reorganisations which, subject to consultation with our Trade Unions and employees, may result in job losses (redundancies).

Our vision and values mean that we will continually seek to become more adaptable and flexible in how we work. Through early discussion, it may be possible to find alternative ways to meet the needs of the business without the need for redundancies. However, from time to time there will be a need to manage staff reductions and restructuring, in particular where a type of work has ceased to exist; the amount of work has or is likely to reduce; and/or where fewer people are required to deliver the same service to customers; and/or where different skills are required.

2. Scope

This policy applies to all employees of TfL and its subsidiaries (except Directors and above), with the exception of London Underground employees

3. Principles

TfL is committed to treating our employees with care, compassion and openness through fair and transparent processes. We are committed to minimising the number of redundancies and will endeavour to use the options identified below to achieve this:

- Natural attrition
- Training/ re-training employees
- Using an employee's skills, knowledge, and experience to proactively seek suitable alternative employment whether that is at the same or a suitable lower grade and/or at a different location
- Restricting the recruitment of permanent employees and/or introducing a recruitment freeze where appropriate
- Minimising the use of non-permanent labour (agency workers and consultants)
- Reducing overtime by as far as service requirements permit
- Flexible or part time working
- Seeking suitable alternative employment for anyone formally at risk of redundancy.

4. Engagement, Consultation and Communication

TfL will engage and meaningfully consult at the earliest opportunity and throughout the process. TfL will maintain open channels of communication at all stages of the process and will listen to and respond to the views, comments and feedback expressed by the Trade Union representatives and our employees, with a view to:

- Avoiding dismissals
- Reducing the number of redundancies
- Mitigating the impact of dismissals

Depending on the size and scale of the change, TfL may choose to consult with Trade Unions or with individual employees, however typically will follow the following principles:

Collective Consultation

Where 20 or more employees are at risk of redundancy within a 90-day period, TfL will engage and meaningfully consult with Trade Union representatives and will engage with employees who are directly affected.

Individual Consultation

Where fewer than 20 employees are at risk of redundancy, TfL will consult directly with the impacted individual employees. Employees may be accompanied at any one-to-one meetings by a companion who may be a colleague or Trade Union representative.

In order to facilitate effective communication and meaningful consultation, TfL will seek to give Trade Union representatives, or employees in sufficiently detailed, clear and good quality information and allow enough time to allow them to respond to business proposals and for TfL to consider their responses before decisions are made.

Where redundancies are proposed, then minimum length of the consultation period will be:

- 20-99 redundancies – 30 days
- 100+ redundancies – 45 days

5. Assessment & Selection

In some cases, in particular where positions and skills requirements in the new structure remain substantively unchanged from an employee's existing position, employees may be appointed to roles in the new structure without the need for an assessment and selection process. However, in cases where the employee's role changes substantially, is no longer required in the new structure or there are more employees than posts in the new structure, an assessment process may be carried out to best match employees within the existing structure to the new structure.

The purpose of any assessment is to ensure that the employees retained by TfL are the ones who most closely meet its ongoing and future requirements. The assessment methods may vary between selection pools but the focus will be on ensuring that differentiation between employees is achieved and the skills, knowledge and experience required for the future are clearly assessed. Selection pools and assessment methods will be discussed with Trade Unions or employees and any chosen representatives during consultation.

If an employee who is at risk of redundancy is disabled or is on maternity, adoption or shared parental leave during the restructure, they may be entitled to be prioritised for any suitable alternative position in the new structure. Advice will be taken on individual situations and suitable alternative employment will be considered on a case-by-case basis.

5.1. Volunteers

At the start of any consultation process with employees, it may be appropriate to request early volunteers for redundancy. Requesting early volunteers will be at the sole discretion of TfL management and may not be a suitable approach in every situation. It is anticipated that requesting early volunteers will be most appropriate where there is a reduction in the number of employees required to perform a role, rather than a change in the role or in the skills needed to perform the role.

Employees who volunteer to leave early, and do so prior to any selection process being carried out, will receive the following minimum early voluntary severance (EVS) terms, subject to a minimum of one years' service:

- A minimum of £6, 000 (pro -rated for part-time employees); and
- A minimum of 8 weeks' notice pay (which may be paid in full or part in lieu).

TfL does not guarantee that all requests from volunteers will be approved. Requests will be considered and approved at the discretion of management with consideration being given, but not limited to, retention of skills, knowledge, experience and cost.

The above terms will only be offered in genuine early voluntary situations. Once the business has confirmed that the early voluntary severance window has closed (likely to be before any selection criteria has been applied), the opportunity to apply for early voluntary severance will no longer be open.

It is expected that employees who request and are granted early voluntary severance will be issued with a confirmation letter and will leave the business immediately once consultation closes, subject to business requirements.

5.2. Selection pools

Where employees work in roles that are reducing in number or their work is broadly similar to and/or interchangeable with the work that is reducing, they will be placed in the same selection pool. Selection pools are used to try and mitigate redundancies and ensure that employees that do similar work and have similar skills, knowledge and experience have an equal opportunity to be considered for roles in the new structure.

Selection pools will be established by carefully considering:

- Which particular kind of work is disappearing/reducing?
- Which employees do this kind of work?
- To what extent are employees doing similar work?
- To what extent are employees' jobs interchangeable?

Although employees may be in the same pay band it does not automatically mean that work is broadly similar and interchangeable.

Employees who have been on a secondment for under 18 months at the start of consultation on the organisational change will be placed in a selection pool based on their substantive post. However, in cases where employees have been on a single continuous secondment for 18 months or more and there is no substantive post holder for the seconded role, the employee's seconded role will normally be treated as their substantive role for the purpose of the organisational change. In cases where the employee has been on a single continuous secondment for 18 months or more, and there is a substantive post holder for the seconded role, the employee will be given a choice of whether they are placed in a selection pool based on their secondment or substantive post.

5.3. Assessment Methods

All employees will be treated fairly and considerately in a transparent manner. The skills and capabilities required for the new roles will be made available to employees and their Trade Union

representatives. In some cases, impacted employees may be able to express their preference for any role via an Expression of Interest form and will be informed which roles they are being considered for, how they will be assessed and the criteria being used.

Although not exhaustive, the range of methods used may include: interviews, paper-based assessments, assessment centres, desktop exercises, role plays, verbal and/or numerical reasoning, presentations, workplace assessments, technical tests and psychometric questionnaires.

Throughout the process, we will seek to ensure that assessment and selection methods do not have an adverse impact on a particular equality group(s) and that reasonable adjustments form part of the selection process so that disabled employees, those absent on sick leave or family leave, and employees with a protected characteristic are not disadvantaged during this process. The Equality Impact Assessment (EqIA) will continually be reviewed throughout the process for all employees.

In order to help ensure that there is no unlawful discrimination in the assessment and selection process, assessment of the selection criteria will be undertaken by at least two managers. All members of the panel must refresh themselves with the latest Recruitment Policy. The assessments will be approached objectively using written evidence wherever this is available and a record kept of the selection decisions.

5.4. Suitable Alternative roles

We will aim to retain employees with transferable core skills, into a suitable alternative role, and to support them with appropriate training and development opportunities. In considering if a role is a suitable alternative, we will consider:

- The pay, benefits and terms of the new role
- The location of the role
- Similarities to the current role
- Working hours
- An employee's transferable skills, knowledge and experience with the abilities in relation to the new role
- Relevant personal circumstances the employee shares

Employees who unreasonably refuse an offer of a suitable alternative role will not be eligible for a severance payment, in line with legislation. Where an employee believes that the role they have been offered is not a suitable alternative, they should speak to their manager, outlining the reasons why. The list above will be used as a basis for consideration. Secondments are not normally deemed suitable alternative roles.

5.5. Trial Periods

An employee who is appointed to a suitable alternative role will be eligible to a 6-week trial period to verify its suitability. The trial period may be extended by a further 4 weeks at the discretion of the business.

During the trial period, the company can bring the trial to an end, with the employee retaining their eligibility to a severance payment. Should the employee work beyond the agreed trial period or be dismissed for any other reason (for example, gross misconduct), they will lose their eligibility to a severance payment.

5.6. Protection of earnings

Where an employee accepts a suitable alternative role and there is a reduction in salary attached to the new role, the employee will be eligible for 18 months' protection of earnings (POE), on the terms set out below. All other terms and conditions will be offered in line with the new role and grade.

Scenario	Application of POE
New role is within the same pay band and the role attracts the same salary	Employee will remain on the same salary
New role is within the same pay band but the role attracts a lower salary	Employee will be offered the role with its current base salary before they accept the role, but will continue to receive their previous salary for a period of 18 months'. After this time, their salary will reduce to the market rate for the role, which will not necessarily be higher than the salary offered on commencement in the role (but will not be lower). During the period of POE, employees will remain eligible for PfP /PRP / SMRF as per the scheme rules.
New role is in a lower pay band and their current salary is within that pay band	Employee will be offered the role with its current base salary, before they accept the role but will continue to receive their previous salary for a period of 18 months'. After this time, their salary will reduce to the market rate for the role, which will not necessarily be higher than the salary offered on commencement in the role (but will not be lower). During the period of POE, employees will remain eligible for PfP /PRP / SMRF as per the scheme rules.
New role is in a lower pay band and their current salary is above the top of the pay band	Salary will reduce to the top of the lower pay band. Employee will also receive a POE payment equivalent to the difference between the employee's new salary and their salary immediately prior to the move, for a period of 18 months'. After 18 months', their salary will move to the market rate for the role and all POE payment will cease.

5.7. Secondment time limit

Employees who are displaced and secure a secondment, can do so for a maximum of a total of 18 months (including any secondment extensions and back-to-back secondments) without losing their eligibility to a severance payment. After this time, the employee will no longer be automatically eligible for an enhanced severance payment if they do not find suitable alternative employment at the end of the secondment (eligibility for statutory redundancy payment may remain unaffected). Employees will be issued with their notice at least 12 weeks prior to their secondment ending so that their secondment and notice period run concurrently.

6. Feedback and communication

Employees will be informed of the outcome of the selection exercise and what it means for them. The employee will be informed of the selection criteria used and how they were assessed against that criteria. How other employees in the pool scored against the criteria will not be shared.

Employees who have been unsuccessful at securing a role in the new structure will be issued with a Final Notice of Redundancy letter advising them that they are now formally displaced and confirming when their employment will end. Employees will also be advised of their right to appeal the decision.

7. Support

We will support employees as much as possible during this time as employees either move to a role within the new structure or support them in securing an alternative role during the redeployment process.

All employees will be able to access the Employee Assistance Programme. Further details on how to access the service is available via [\(link\)](#).

6.1. Absent employees

Where employees are absent from work, for example, due to sick leave, maternity leave, shared parental leave or a career break, every effort will be made to ensure that they are kept informed properly about the proposed changes. Employees can inform their manager on how they would prefer to be communicated with and managers will make every effort to accommodate their request.

Where an absent employee is required to participate in an assessment and selection process, their personal circumstances will be taken into consideration and special arrangements made to ensure they can be accommodated, such as a video call if appropriate.

6.2. Redeployment

Any employee who has been displaced from their role will be eligible to participate in the centralised skills matching activity which enables TfL to identify a good level of commonality in the skills, knowledge and experience of a vacant role with the skills, knowledge and experience of a displaced employee candidate.

Displaced employees will be given priority status when applying for roles and, in some cases, vacant roles at the same or at a lower level may be offered to displaced employees prior to being advertised to other employees.

6.3. Secondments

Displaced employees will also be considered for suitable secondment opportunities, prior to them being advertised. The resourcing of secondments will adhere to the principles outlined in the TfL Resourcing Policy, for example, they will be used for a specific project or to backfill a permanent role for a set period of time. Displaced employees may elect not to be considered for any secondment roles. As secondments are voluntary, they will not attract any protection of earnings.

6.4. Outplacement

TfL wants to ensure that employees that are displaced receive excellent support that helps them find alternative employment, whether that be inside or outside of TfL. Employees will have access to in-house online guidance and career support resources. In addition to TfL's learning and development services such as ezone, TfL may use external agencies who specialise in helping people secure their next career move.

Outplacement support will be offered to all displaced employees. No cash alternative will be paid if an employee chooses not to access any external Outplacement available to them.

Outplacement support will be coordinated by the redeployment team to ensure that employees understand and receive personalised and tailored support that best fits their needs. Reasonable time

off will be given to employees to attend any outplacement sessions, attend training and/or interviews. In all cases employees must seek approval for time off, but permission will not be unreasonably withheld.

7. Severance and Benefits

Employees who are redundant may be eligible for a severance payment. Employees will normally be entitled to a statutory redundancy payment if they have more than 2 years' service.

7.1. Severance Payment

Statutory redundancy payment is calculated using the employee's age, length of service and weekly pay. The rules and calculations that determine the amount paid are set out by government. Employees must have two or more years' service to be eligible.

Some employees may also be eligible for an enhanced redundancy payment under the terms of TfL's 'Voluntary Severance scheme' available at the time. TfL's voluntary severance scheme offers eligible* employees an enhanced redundancy payment.

Weekly pay is based on contractual salary at the date notice of redundancy is issued (the 'calculation date') and is not based on any averaging of salary, unless pay varies (i.e., with shift work). In this case, pay will be averaged over the 12 weeks preceding the calculation date. Allowances and Higher Duty Pay will usually be included, providing that they have been paid continuously over the preceding 12 months to the leave date. Allowances or Higher Duty Pay funded by an organisation other than the employing company (for example but not limited to, the GLA and Crossrail) will be excluded from severance pay calculations. Employees who are eligible for an enhanced redundancy payment will be paid a minimum of £4,000 (pro-rata for part time employees). This enhanced redundancy payment is inclusive of any statutory redundancy pay and excludes any notice paid in lieu and is subject to signing a Settlement Agreement.

Employees who receive an enhanced redundancy payment under the Voluntary Severance Scheme will not be allowed to re-join any TfL company, in any capacity, for a period of 2 years from their termination date.

** Employees who are members of the PCSPS and LGPS (LPFA) pensions funds are not automatically eligible for the TfL Voluntary Severance Scheme. Members of these schemes have specific arrangements for Voluntary Severance and TfL has a statutory obligation to ensure that compensation is paid according to the scheme regulations. Where an employee is not covered by these statutory arrangements then the TfL Voluntary Severance standard package will apply. It should be noted that changes to these schemes are not governed by TfL.*

7.2. Notice periods

Every employee who is issued a final notice of redundancy, will be given 12 weeks' notice – known as 'worked notice period'. This includes any contractual notice period and is available to employees to maximise their opportunity at securing an alternative role. During this time, employees may:

- Be required to work their notice period in their current post;
- Be assigned alternative work commensurate with their knowledge, skills and experience for the whole or part of their notice period – this may be in their current department or elsewhere in TfL
- Be placed on Garden Leave for the whole or part of their worked notice period; and/or
- Be offered a secondment opportunity

Employees will still be eligible to apply for alternative roles during their worked notice period (including any period of garden leave) or during any secondment. Should a suitable alternative role arise, displaced employees will be given priority when being considered for these roles, prior to them being advertised.

In the event that a displaced employee starts a secondment opportunity during their worked notice period, their notice period will be paused and will re-start with the remaining portion of notice being issued prior to so that the latter portion of their secondment and notice period will run concurrently. During this time, the search for a permanent alternative role will continue.

7.3. Leaving early

In the first 4 weeks of their worked notice period, employees may request to leave before the end of the 12 weeks. Requests will be subject to TfL's approval at the discretion of management.

Requests to leave early must be made in writing and employees should allow for a minimum of four weeks for the leaving process to be completed. During that time, TfL will produce a settlement agreement and the employee will obtain legal advice on it in light of their personal circumstances. Any employee who leaves early will only be paid their contractual notice, which may be less than 12 weeks, and may be paid partially or fully in lieu. Notice worked so far will be deducted from any notice paid. For example, an employee who has 8 years' completed service and therefore has 8 weeks' contractual notice will be issued with 12 weeks' worked notice. If after 2 weeks, the employee requests to leave early, giving a further 4 weeks' notice, they will have worked a total of 6 weeks. The remaining 2 weeks' contractual notice will be paid in lieu.

Employees who do not request to leave early within the first 4 weeks will be expected to work the full 12 weeks worked notice.

7.4. Pre-retirement leavers

Redundant employees who intend to draw their TfL pension upon leaving may request to attend an on-line pre-retirement seminar. As their reason for leaving TfL is redundancy rather than retirement, they will not be entitled to any additional benefits outlined in the retirement policy, including but not limited to additional annual leave.

7.5. Annual Leave

Annual leave will be pro-rated to the final termination date. Employees will be encouraged to take all of their annual leave prior to their leave date, however any unused holiday will be paid.

7.6. Benefits

7.6.1. Oyster Cards

Employees aged 50 and over and with 20 or more years' service (as at the date of termination), will be eligible for retired Oyster card facilities.

Employees under the age of 50 but with 20 or more years' service, will have their Oyster card withdrawn but may reclaim a retired Oyster card at age 50.

For all other employees, Oyster cards will be permanently withdrawn.

7.6.2. PTAC Holders

Employees aged 45 or over and joined LT/LU prior to 1 April 1996, or under age 45 but with 20 years' service, will be eligible for retired PTAC facilities on the same class basis. Retired travel facilities will also include Status Passes (if held), however Residential Passes will be withdrawn.

Employees who hold a 1st Class PTAC, Staff Travel Card (4 box or 10 box) will be eligible to retain it. Employees who hold a 10 box card (usually Pay band 4 or above) will be eligible to receive a 6 box Staff Travel Card upon retirement. Standard Class PTAC holders will no longer receive a Staff Travel Card.

7.7. Tax

Some of the redundancy payment may be tax free, depending upon the tax rules in place at that time. Rules are set by HMRC and not TfL. Payments in lieu of notice, ex gratia payments and overtime payments are not tax free and will be subject to the usual Tax and NICS deductions. Further details will be given in the settlement agreement.

7.8. Settlement agreements

All employees eligible to receive an enhanced redundancy payment will be required to sign a Settlement Agreement. A contribution towards legal fees incurred in connection with the agreement will be made following the production of a receipt from a Law Society registered solicitor. Enhanced redundancy payments will not be paid without a Settlement Agreement.

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